

Permanent Source Meeting – Salinas June 6, 2008

The Department of Housing and Community Development held the ninth Permanent Source meeting on June 6, 2008. The meeting was held in Salinas and was sponsored by Assemblymember Anna Caballero, the Community Housing Improvement Systems and Planning Association, Inc. (CHISPA), and the City of Salinas.

What programs should the Permanent Source fund?

- Housing for disabled and extremely low income people who do not fit into income limits due to public benefits.
- See subsidies to developers to create housing for extremely low income people and who do not meet normal criteria.
- Create incentives so builders find universal design construction attractive and feasible.
- Monterey County—rural has trouble competing with urban. Benefit from Joe Serna program but it is a challenge for them to get additional sources of funding. Need to reach extremely low income people due to increasing cost of land.
- Help for teachers to get into homes.
- Resources for education and partnership programs:
 - “Early Education” (homebuyer education for high school students)
 - “Continuing Education” (homebuyer education—mature population)
 - “Gifting” (give monthly income to seniors and help them get into assisted housing so that homes are available to others who need it).
- Downsize and reuse existing housing stock more effectively, rather than new housing stock
- Homeownership incentive for public employees—would help with reduced commutes and ability to live and work in the community. Also allow them to see the direct impact in the community.
- Long-term financial planning that begins early on and continues as financial situations change. Could help prevent foreclosure situation.
- Self-Help is successful program for low-income residents
- 120% of AMI and above do not have money to buy homes (teachers, etc.)
- Options built into codes for redevelopment agencies to work with private property owners (would add flexibility)
- Salinas does not qualify for TOD funding because it is not dense enough, which is frustrating. Retrofit existing housing stock with services.
- Service enriched housing is needed in older, already existing housing.
- Need for community service centers and teen centers for highest density areas
- Look at regional allocation formula.
- Salinas is concerned about program density requirements; for example, BEGIN/TOD/Infill requirements are all too high. Not competitive for MHP and are feel backed into the Joe Serna program.
- Accessible housing for elderly and more housing for public sector employees.

- Public/private partnerships/down payment assistance.
- See an opportunity with foreclosed homes; for example, loan pool, quick access to acquisition money, and quick responsiveness needed for foreclosure crisis.
- Universal design is important.
- HCD should not relax standards on affordability. Private money and RDA money for mixed-use and mixed-income housing. Encourage variety of sources.
- Long-term homeownership training.
- Money for planning.
- Consider children's needs in housing—design parks, childcare facilities in close proximity to parent workplace.
- Help keep struggling families in their homes.
- City of Salinas suggested bringing back down payment assistance program and mortgage credit certificate program through the housing authority.

How should money be distributed?

- Monterey County/City of Salinas did not qualify for TOD/Infill funding. Need to have a rural carve-out for these programs applicable to rural areas.
- Monterey County is the least affordable community in the nation—should use that as a criteria for money distribution.
- Children-friendly environments
- Educators can't keep housing due to lack of affordability—schools could provide incentives for teachers to buy homes and stay in communities.
- HCD should encourage public/private partnerships.
- Money for public awareness and education for people on what housing needs are.
- Reward jurisdictions that produce or build a certain number of units (such as a park).
- Need to move away from mini-ranchettes and look at new design. Change concept of how we build housing.
- Salinas grows denser and up. Carmel is urban sprawl (larger lots averaging 3000 square feet). Salinas wants to increase density.
- Education program to have people thinking about community differently so they see the value in denser communities; look at it in a way that is not negative.
- Public education and personal/individual education.

What are possible sources of funding?

- City annexes land—value goes up once land becomes urban. Keep land and pre-urban land value.
- Nonprofit buys land directly from land owner at a lower rate. They are currently doing this in Breckenridge, CO.
- Sources should be spread across large range and get a larger return.
- Transfer tax: CAR dislikes taxes that come at point-of-sale. Everyone should pay for affordable housing.

- Educating people will facilitate and help permanent source pass.
- Reframe “affordable” housing to help people understand that it includes middle income population.
- Homes that sell over a certain price (such as \$1 million) have a tax built in that goes back to affordable housing.
- Homes constructed over a certain square footage get taxed.
- Tax credits for private developers who put housing stock into community needs.
- Increase tax or fee on investment property or non owner-occupied properties.
- Encourage public/partnerships.
- Prop 13 should not apply to out of state owners who don’t pay taxes in CA but use resources.
- Use a multitude of sources.
- Organize at local or state level to attract investors. Housing-backed securities are untrustworthy—come up with other ideas/investments to attract investors. Try to involve CRA money/capital.
- Entitlement area declaration for Monterey County. HUD helped Ventura County to work together.
- RDAs should be more proactive to issue bonds—bond consultants for more creativity.